



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

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Fifth District

March 31, 2003

To: Supervisor Yvonne Brathwaite Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

**MOTION TO SUPPORT SB 1X (POOCHIGIAN) RELATED TO EMPLOYMENT LAW
(ITEM NO. 73-A, AGENDA OF APRIL 1, 2003)**

Item Number 73-A on the April 1, 2003 agenda is a motion by Supervisors Knabe and Antonovich to support SB 1X (Poochigian) and instruct the Chief Administrative Officer to send a letter to Governor Davis and the Los Angeles County Legislative Delegation urging support for the early passage and enactment of SB 1X.

SB 1X, as introduced in the First Special Session, suspends various statutes related to overtime, prevailing wages, workers' compensation benefit increases, labor standards, and payment of workers' compensation premiums by temporary agencies. The specified statutes in SB 1X would remain suspended until a proclamation by the Governor is issued declaring that the California economy has fully recovered from the current economic recession. SB 1X is an urgency measure, requiring a two-thirds vote. Each statute that SB 1X would suspend is discussed below.

A. Chapter 134 of 1999 – AB 60 (Knox)

This measure revised overtime provisions as follows: 1) time and one-half pay after eight hours of daily work; 2) personal time off for a personal obligation of an employee which may be made up during a workweek without payment of overtime compensation within specified limits; and 3) the adoption through an employee election of an

alternative work week schedule or menu of schedules offered by an employer. AB 60 removed exemptions to these provisions for State and local governmental entities and certain classes of their employees. This measure does not deal with family leave. The County originally had a position of oppose unless amended to exempt the County from coverage (Board Action: 6/22/99). However, we removed our opposition because the County was eventually exempted from coverage.

B. Chapter 938 of 2001 – SB 975 (Alarcon)

This measure increased rehabilitation and development costs and resulted in an immediate cost of approximately \$80 million on projects pending before the Community Development Commission by expanding the definitions of public work and public funds to include more projects under the prevailing wage requirement. The County had an oppose position on this measure (Board Action: 8/28/01).

C. Chapter 6 of 2002 – AB 749 (Calderon)

This measure provided major benefit increases for workers' compensation such as a four-year phased increase in the maximum weekly benefit for temporarily disabled and totally and permanently disabled workers from \$490 currently to \$840 in 2005, after which it will be adjusted annually by a cost-of-living factor. The County had an oppose position on this measure (Board Memo: 2/1/02).

D. Chapter 298 of 2002 – AB 2509 (Goldberg and Koretz)

This measure permits local government agencies to impose labor standards more stringent than those required by state law on local projects, which receive state funding. The County did not take a position on this measure.

E. Chapter 1098 of 2002 – AB 2816 (Shelley)

This measure requires that, when a temporary agency enters into a contract with a licensed contractor to provide the licensed contractor with the services of an individual, the temporary agency must pay the workers' compensation premiums for that individual based on the experience rating of the licensed contractor. This measure also clarified that the temporary agency shall be solely responsible for workers' compensation for that individual. The County did not take a position on this measure.

F. Chapter 1145 of 2002 – SB 1156 (Burton and Wesson)

In its prior form, this measure would have increased workers' compensation benefits by changing the weekly wage to determine temporary total benefits and increased the present weekly temporary and total disability benefit. The County had an oppose position on the prior version of this bill (Board Memo: 1/25/02). In its final form, the bill was amended to provide a mediation procedure applicable to specified agricultural employers and a labor organization certified as the exclusive bargaining agent of a bargaining unit of agricultural employees. The County took no position on the final version of this measure.

G. Chapter 1146 of 2002 – AB 2596 (Wesson)

In its prior form, this measure would have required reporting of election results, including absentee ballots, by precinct. The County had an oppose position on this version of the bill (Board Memo: 8/29/02). In its final form, the bill made technical and substantive changes to SB 1156 (Burton), which established a procedure for the resolution of agricultural labor contract disputes by mandatory mediation and conciliation. The County took no position on the final version of this measure.

County Policy on Statutes Affected by SB 1X

A.

The County originally opposed AB 60 which revised overtime provisions but removed its opposition because the County was eventually exempted from coverage. The suspension of AB 60 would have no effect on the County because we were exempted from overtime provisions in previous law. Therefore, support for SB 1X's suspension of AB 60 is a matter for Board policy determination.

B and C.

Since the County opposed SB 975 and AB 749, support for SB 1X's suspension of the prevailing wages and workers' compensation benefit increases is consistent with existing County policy.

D, E, F and G.

Since the County did not take positions on AB 2509 or AB 2816, or the final versions of SB 1156 or AB 2596, support for SB 1X's suspension of these four measures is a matter for Board policy determination.

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Because SB 1X contains some provisions which are consistent with existing County policy and others where there is no County policy, support for SB 1X as a whole is a matter for Board policy determination. SB 1X was introduced on January 6, 2003 and referred to the Senate Industrial and Labor Relations Committee where it is awaiting a hearing date.

DEJ:GK
EW:ib

c: Executive Officer, Board of Supervisors
 County Counsel